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**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE**

**REPORTS ON COMPLIANCE AND INTERNAL CONTROL**

**DECEMBER 31, 2003**

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**Postlethwaite & Netterville**

A Professional Accounting Corporation  
Associated Offices in Principal Cities of the United States  
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor-President  
and Members of the Metropolitan Council  
City of Baton Rouge and Parish of East Baton Rouge:

We have audited the financial statements of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) as of and for the year ended December 31, 2003, and have issued our report thereon dated May 25, 2004, which includes a reference to the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the financial statements of the City-Parish are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City-Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City-Parish in a separate letter dated May 25, 2004.

This report is intended solely for the information and use of the Metropolitan Council, the City-Parish management, federal and state awarding agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite & Nettville*

Baton Rouge, Louisiana  
May 25, 2004



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The Honorable Mayor-President  
and Members of the Metropolitan Council  
City of Baton Rouge and Parish of East Baton Rouge:

**Compliance**

We have audited the compliance of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The City-Parish's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City Parish's management. Our responsibility is to express an opinion on the City-Parish's compliance based on our audit.

The City-Parish's basic financial statements include the operations of the District Attorney of the Nineteenth Judicial District (the District Attorney) and the Capital Transportation Corporation, presented as component units. These entities expended \$747,850 and \$5,588,691 of federal grant funding during the year ended December 31, 2003, respectively, that does not appear in the accompanying schedule of expenditures of federal awards for the year ended December 31, 2003. Our audit of compliance, described below, did not include the programs of the District Attorney and the Capital Transportation Corporation, as those entities were audited under separate engagements.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City-Parish's compliance with those requirement.

In our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2003-1 through 2003-4.

#### Internal Control Over Compliance

The management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City-Parish's internal control over compliance with requirements that could have a direct and material effect on major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect City-Parish's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2003-1 and 2003-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above are material weaknesses.

#### Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City-Parish as of and for the year ended December 31, 2003, and have issued our report thereon dated May 25, 2004, which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards for the year ended December 31, 2003, as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the Metropolitan Council, the City-Parish management, federal and state awarding agencies and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postathwaite & Nettles*

Baton Rouge, Louisiana  
May 25, 2004







**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Federal Expenditures	Local Expenditures	Total
<b><u>FEDERAL AGENCY - SCHEDULE A</u></b>			
U.S. Department of Housing and Urban Development	\$ 13,635,614	\$ 456,609	\$ 14,092,223
U.S. Department of Health and Human Services	10,515,844	2,180	10,518,024
Department of Homeland Security	1,756,025	67,769	1,823,794
Federal Emergency Management Agency	19,984	--	19,984
U.S. Department of Transportation - FHWA	7,799,476	876,647	8,676,123
U.S. Department of Transportation - National Highway Traffic Safety Administration	27,672	--	27,672
U.S. Department of Transportation	5,071	--	5,071
U.S. Department of Energy	45,183	--	45,183
U.S. Department of Agriculture	2,121,069	147,371	2,268,440
U.S. Department of Education - Rehabilitation Service Administration	92,113	--	92,113
U.S. Department of Labor	5,159,583	--	5,159,583
U. S. Department of Justice	1,240,227	130,418	1,370,645
U. S. Environmental Protection Agency	67,182	--	67,182
U. S. Department of the Interior	2,767	--	2,767
Federal Highway Administration & Private Donations	5,775	--	5,775
<b>TOTAL FEDERAL AGENCY - SCHEDULE A</b>	<b>\$ 42,493,585</b>	<b>\$ 1,680,994</b>	<b>\$ 44,174,579</b>
 <b><u>FEDERAL AGENCY - SCHEDULE B</u></b>			
U.S. Department of Transportation - FTA	\$ 1,248,504	\$ 252,848	\$ 1,501,352
U.S. Department of Transportation - FAA	11,960,010	--	11,960,010
U.S. Department of Homeland Security	111,237	--	111,237
U. S. Environmental Protection Agency	857,265	701,397	1,558,662
<b>TOTAL FEDERAL AGENCY - SCHEDULE B</b>	<b>\$ 14,177,016</b>	<b>\$ 954,245</b>	<b>\$ 15,131,261</b>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

SCHEDULE A

<u>Name of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>FEDERAL GRANTS</u></b>						
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>						
	121004					
<b><u>Direct Programs:</u></b>						
Community Development:						
Block Grant - 1990	182..431602	14.218	B-90-MC-22-0002	\$ 4,830	\$ --	\$ 4,830
Block Grant - 1994	182..431602	14.218	B-94-MC-22-0002	46,537	--	46,537
Block Grant - 1995	182..431602	14.218	B-95-MC-22-0002	33,950	--	33,950
Block Grant - 1996	182..431602	14.218	B-96-MC-22-0002	106,664	1,817	108,481
Block Grant - 1997	182..431602	14.218	B-97-MC-22-0002	--	771	771
Block Grant - 1998	182..431602	14.218	B-98-MC-22-0002	268,271	--	268,271
Block Grant - 1999	182..431602	14.218	B-99-MC-22-0002	1,061,905	10,571	1,072,476
Block Grant - 2000	182..431602	14.218	B-00-MC-22-0002	250,962	33,512	284,474
Block Grant - 2001	182..431602	14.218	B-01-MC-22-0002	1,084,707	118,000	1,202,707
Block Grant - 2002	182..431602	14.218	B-02-MC-22-0002	3,357,570	8,622	3,366,192
Block Grant - 2003	182..431602	14.218	B-03-MC-22-0002	807,476	2,244	809,720
SUBTOTAL CFDA NUMBER 14.218				7,022,872	175,537	7,198,409
Home Grant - 1992	183..431602	14.239	M-92-MC-22-0204	111	281,072	281,183
Home Grant - 1994	183..431602	14.239	M-94-MC-22-0204	578	--	578
Home Grant - 1995	183..431602	14.239	M-95-MC-22-0204	(3,348)	--	(3,348)
Home Grant - 1996	183..431602	14.239	M-96-MC-22-0204	4,324	--	4,324
Home Grant - 1997	183..431602	14.239	M-97-MC-02-0204	(4,050)	--	(4,050)
Home Grant - 1998	183..431602	14.239	M-98-MC-02-0204	23,924	--	23,924
Home Grant - 1999	183..431602	14.239	M-99-MC-02-0204	165,304	--	165,304
Home Grant - 2000	183..431602	14.239	M-00-MC-02-0204	392,750	--	392,750
Home Grant - 2001	183..431602	14.239	M-01-MC-02-0204	915,787	--	915,787
Home Grant - 2002	183..431602	14.239	M-02-MC-02-0204	745,273	--	745,273
SUBTOTAL CFDA NUMBER 14.239				2,240,653	281,072	2,521,725
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B97-01	147,113	--	147,113
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B80-80	152,090	--	152,090
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B90-40	262,740	--	262,740
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B00-40	333,988	--	333,988
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B10-40	651,517	--	651,517
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B20-40	63,064	--	63,064
SUBTOTAL CFDA NUMBER 14.235				1,610,512	--	1,610,512

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

SCHEDULE A  
(Continued)

<u>Name of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONTINUED)</u></b>						
HOPWA Grant - 2000	185..431602	14.241	LAH00F002	\$ 21,198	\$ --	\$ 21,198
HOPWA Grant - 2001	185..431602	14.241	B01MC220002	106,951	--	106,951
HOPWA Grant - 2002	185..431602	14.241	LAH02F002	697,316	--	697,316
SUBTOTAL CFDA NUMBER 14.241				825,465	--	825,465
Emergency Shelter 2001-03	182..431602	14.231	S-01-MC-22-0002	73,132	--	73,132
Emergency Shelter 2002-04	182..431602	14.231	S-02-MC-22-0002	125,573	--	125,573
<b><u>Passed through Louisiana Department of Social Services</u></b>						
	121109					
Emergency Shelter	170..432602	14.231	01/03	58,291	--	58,291
Emergency Shelter	170..432602	14.231	02/04	82,580	--	82,580
SUBTOTAL CFDA NUMBER 14.231				339,576	--	339,576
<b><u>Passed through Louisiana Housing Finance Agency</u></b>						
	121004					
Sharlo Terrace - 2002	170..431602	14.156	LA-48-0046-009	2,934	--	2,934
Sharlo Terrace - 2003	170..431602	14.156	LA-48-0046-009	326,976	--	326,976
Moderate Housing Assistance IV - 2002	170..431602	14.156	LA-48-K219-004	34,291	--	34,291
Moderate Housing Assistance IV - 2003	170..431602	14.156	LA-48-K219-004	451,607	--	451,607
Section 8 Vouchers Program - 2002	170..431602	14.156	LA-219-CEO-001-008	35,882	--	35,882
Section 8 Vouchers Program - 2003	170..431602	14.156	LA-219-CEO-001-008	645,621	--	645,621
SUBTOTAL CFDA NUMBER 14.156				1,497,311	--	1,497,311
Parking Structure Feasibility Study	170..431602	14.276	B-01-SP-LA-0224	99,225	--	99,225
Total U.S. Department of Housing and Urban Development				13,635,614	456,609	14,092,223
<b><u>U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>						
	121006					
Metropolitan Medical Response System	170..431601	N/A	233-01-0051	173,830	--	173,830
Headstart - 2002	160..431601	93.600	06CH0065225	358,349	--	358,349
Headstart - 2003	160..431601	93.600	06CH0006526	8,144,374	2,180	8,146,554
SUBTOTAL CFDA NUMBER 93.600				8,502,723	2,180	8,504,903
Ecstasy and Club Drug	170..431601	93.243	IU79SP10018-01	271,022	--	271,022
<b><u>Passed through Louisiana Housing Finance Agency</u></b>						
	121119					
Low Income Housing Energy Assistance	160..432401	93.568	2002	(14,310)	--	(14,310)
Low Income Housing Energy Assistance	160..432401	93.568	02/03	510,849	--	510,849
SUBTOTAL CFDA NUMBER 93.568				496,539	--	496,539
Temporary Assistance for Needy Families	170..432401	93.558	02/03	11,472	--	11,472

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

SCHEDULE A  
(Continued)

<u>Name of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED):</u></b>						
<u>Passed through Louisiana</u>						
<u>Department of Employment and Training</u>						
Community Services Block Grant:	121118					
BRACA	160..432604	93.569	CSBG-FY-02P0019	\$ 291,201	\$ --	\$ 291,201
BRACA	160..432604	93.569	CSBG-FY-03P0019	769,057	--	769,057
				<hr/>	<hr/>	<hr/>
SUBTOTAL CFDA NUMBER 93.569				1,060,258	--	1,060,258
				<hr/>	<hr/>	<hr/>
Total U.S. Department of Health and Human Services				10,515,844	2,180	10,518,024
				<hr/>	<hr/>	<hr/>
<b><u>DEPARTMENT OF HOMELAND SECURITY</u></b>						
<u>Direct Programs:</u>						
	121008					
Assistance to Fire Fighters-Pride	128..431102	97.044	EMW-2002-FG-06616	37,215	4,135	41,350
Assistance to Fire Fighters-Alsen	129..431102	97.044	EMW-2002-FG-06248	32,733	3,637	36,370
Assistance to Fire Fighters-BRFD	170..431102	97.044	EMW-2002-FG-07178	139,762	59,898	199,660
Assistance to Fire Fighters-Chaneyville	127..431102	97.044	EMW-2003-FG-11699	890	99	989
				<hr/>	<hr/>	<hr/>
SUBTOTAL CFDA NUMBER 97.044				210,600	67,769	278,369
				<hr/>	<hr/>	<hr/>
<u>Passed through Department of</u>						
<u>Military Affairs</u>						
	121126					
Tropical Storm Isidore	170..431102	97.036		417	--	417
Hurricane Lili	170..432103	97.036		(555)	--	(555)
FEMA-Disaster Recovery Isadore/ Lili/WNV	170..432103	97.036		97,640	--	97,640
				<hr/>	<hr/>	<hr/>
SUBTOTAL CFDA NUMBER 97.036				97,502	--	97,502
				<hr/>	<hr/>	<hr/>
Hazardous Mitigation Grant	170..432103	97.039		(1,000)	--	(1,000)
E.B.R. Flood Property Acquisition	170..432103	97.039		497,443	--	497,443
Acquisition/Elev. of Rep. Loss Structures	170..432103	97.039		504,918	--	504,918
Elevation of Flood Property	170..432103	97.039		12,429	--	12,429
				<hr/>	<hr/>	<hr/>
SUBTOTAL CFDA NUMBER 97.039				1,013,790	--	1,013,790
				<hr/>	<hr/>	<hr/>
EMPG-Enhanced Hazmat Grant	170..432103	97.042		3,250	--	3,250
				<hr/>	<hr/>	<hr/>
CERT Grant Program	170..432103	97.053		13,527	--	13,527
Citizen Corps Council Grant (CERT)	170..432103	97.053		920	--	920
				<hr/>	<hr/>	<hr/>
SUBTOTAL CFDA NUMBER 97.053				14,447	--	14,447
				<hr/>	<hr/>	<hr/>
Supplemental Planning Grant	170..432103	83.562		2,154	--	2,154
Emergency Preparedness Regional Planning	170..432103	83.562		29,622	--	29,622
				<hr/>	<hr/>	<hr/>
SUBTOTAL CFDA NUMBER 83.562				31,776	--	31,776
				<hr/>	<hr/>	<hr/>

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

SCHEDULE A  
(Continued)

<u>Name of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>DEPARTMENT OF HOMELAND SECURITY (CONTINUED):</u></b>						
<u>Passed through Louisiana</u>						
<u>Department of Public Safety</u>						
Local Domestic Preparedness Equipment	121127 170..432104	97.004	2002-TE-CX-0022	\$ 312,625	\$ --	\$ 312,625
Urban Search and Rescue Funding	170..432104	97.004		72,035	--	72,035
SUBTOTAL CFDA NUMBER 97.004				384,660	--	384,660
Total Department of Homeland Security				1,756,025	67,769	1,823,794
<b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u></b>						
<u>Passed through United Way of America</u>						
Emergency Shelter (FEMA)	121423 160..434602	83.523	LRO 001	19,984	--	19,984
<b><u>U.S. DEPARTMENT OF TRANSPORTATION - FHWA</u></b>						
<u>Passed through Louisiana Department of Transportation and Development -</u>						
<u>Office of Highways</u>						
Signal System Synchronization	121101 341..432200	20.205	700-17-69	217,937	--	217,937
Millerville Road - I-12 and Harrell's Ferry Road	341..432200	20.205	700-17-71	111,532	37,178	148,710
Millerville Road - I-12 and Old Hammond Highway	341..432200	20.205	700-19-44	495,535	164,191	659,726
McHugh Road - Baker	341..432200	20.205	742-05-78	257	64	321
Tigerbend Road	341..432200	20.205	742-06-0071	2,519	630	3,149
Tigerbend Road	337..432200	20.205	742-06-0071	1,457,322	364,330	1,821,652
Groom Road	341..432200	20.205	700-30-0245	113,461	28,366	141,827
Flannery Road @ Florida Blvd.	341..432200	20.205	700-17-0118	85,443	21,362	106,805
Street Name Sign Program - Local Streets	170..432200	20.205	700-17-0117	20,836	--	20,836
Street Name Sign Program - State Routes	170..432200	20.205	700-17-0116	31,254	--	31,254
Signal Replacement Floridia/Perkins/Airline	341..432200	20.205	742-17-0114	3,476,493	--	3,476,493
Signal Synchronization System-Phase IV	341..432200	20.205	700-17-0172	395,446	--	395,446
Aster-Chimes Drainage Improvements	341..432200	20.205	576-17-0008	648,336	74,749	723,085
Jones Creek Rd (Tiger Bend to Coursey)	341..432200	20.205	742-17-0131	194,366	48,592	242,958
Nicholson Dr@Brightside Lane/West Lee	341..432200	20.205	742-17-0130	45,358	11,340	56,698
North Sherwood Forest Blvd. Improvements	341..432200	20.205	700-26-0078	194,817	48,704	243,521
Millerville Road Improvements	341..432200	20.205	742-17-0136	136,436	34,109	170,545
Jefferson Hwy @ Barringer Foreman Road	341..432200	20.205	742-17-0138	147,922	36,980	184,902
Jefferson @ Antioch & Barringer Foreman	341..432200	20.205	742-17-0132&753-17-01	24,206	6,052	30,258
Total U.S. Department of Transportation - FHWA				7,799,476	876,647	8,676,123

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

SCHEDULE A  
(Continued)

<u>Name of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION- NATIONAL</u></b>						
<b><u>HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u></b>						
<u>Passed through Louisiana</u>						
<u>Department of Transportation</u>						
<u>and Development</u>						
<u>Passed through Capital Region</u>						
<u>Planning Commission</u>						
	121425					
Transportation Planning 2002-03	170..434101	20.505	PL-0011(26)	\$ 15,009	\$ --	\$ 15,009
Transportation Planning 2003-04	170..434101	20.505	PL-736-17-0335	2,663	--	2,663
CRPC - Technical Assistance	170..434101	20.505		10,000	--	10,000
Total U.S. Department of Transportation - National Highway Traffic Safety Administration				27,672	--	27,672
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>						
<u>Passed through Louisiana</u>						
<u>Department of Military Affairs</u>						
HMEP Grant Program	121126 170..432103	20.703		5,071	--	5,071
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>						
<u>Passed through Louisiana</u>						
<u>Housing Finance Agency</u>						
	121119					
Weatherization Assistance Program	170..432401	81.042	2002	24,156	--	24,156
Weatherization Assistance Program	170..432401	81.042	2003	21,027	--	21,027
Total U.S. Department of Energy				45,183	--	45,183
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<u>Passed through Louisiana</u>						
<u>Department of Social Services</u>						
	121109					
LAJET	170..432602	10.561	01/02	(1,045)	--	(1,045)
LAJET	170..432602	10.561	02/03	163,155	--	163,155
LAJET	170..432602	10.561	03/04	63,240	--	63,240
SUBTOTAL CFDA NUMBER 10.561				225,350	--	225,350
<u>Passed through Louisiana</u>						
<u>Department of Education</u>						
	121110					
National School Lunch Program	001..432106	10.555	03	30,836	--	30,836
School Breakfast Program		10.553	03	17,055	--	17,055
Headstart Food 2002-03	160..432607	10.558	02/03	557,333	--	557,333
Headstart Food 2003-04	160..432607	10.558	03/04	267,145	--	267,145
SUBTOTAL CFDA NUMBER 10.558				824,478	--	824,478
Summer Food	170..432607	10.559	03	885,527	--	885,527

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

SCHEDULE A  
(Continued)

<u>Name of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE (CONTINUED):</u></b>						
<u>Passed through Natural Resources</u>	121020					
<u>Conservation Service</u>						
Ward's Creek @ Claycut	170.431603	10.916	02-MS-CI-0053	\$ 22,173	\$ 57,406	\$ 79,579
Claycut Bayou Lateral Sheetpile Repairs	170.431603	10.916	02-DR-CI-0057	115,650	89,965	205,615
SUBTOTAL CFDA NUMBER 10.916				137,823	147,371	285,194
Total U.S. Department of Agriculture				2,121,069	147,371	2,268,440
<b><u>U.S. DEPARTMENT OF EDUCATION - REHABILITATION SERVICE ADMINISTRATION</u></b>						
<u>Passed through Louisiana</u>	121121					
<u>Office of State Libraries</u>						
State Aid to Public Libraries	170.432501	84.034	02/03	92,113	--	92,113
<b><u>U.S. DEPARTMENT OF LABOR</u></b>						
<u>Passed through Louisiana</u>						
<u>Department of Labor</u>	121118					
WIA- Administration	161.432604	NA	FY2002	108,767	--	108,767
WIA- Administration	161.432604	NA	PY2002	286,218	--	286,218
WIA- Administration	161.432604	NA	FY2003	91,027	--	91,027
SUBTOTAL CFDA NUMBER NA				486,012	--	486,012
WIA-Adult Program	161.432604	17.258	PY2002	223,981	--	223,981
WIA-Adult Program	161.432604	17.258	FY2003	1,066,448	--	1,066,448
WIA-Adult Program	161.432604	17.258	PY2003	253,205	--	253,205
WIA-Adult Program	161.432604	17.258	FY2004	298,620	--	298,620
SUBTOTAL CFDA NUMBER 17.258				1,842,254	--	1,842,254
WIA-Youth Program	161.432604	17.259	PY2001	21,027	--	21,027
WIA-Youth Program	161.432604	17.259	PY2002	1,329,582	--	1,329,582
SUBTOTAL CFDA NUMBER 17.259				1,350,609	--	1,350,609
WIA-Dislocated Workers	161.432604	17.260	FY2002	87,986	--	87,986
WIA-Dislocated Workers	161.432604	17.260	PY2002	534,783	--	534,783
WIA-Dislocated Workers	161.432604	17.260	FY2003	708,975	--	708,975
WIA-Tropical Storm Allison	161.432604	17.260	PY2001	148,964	--	148,964
SUBTOTAL CFDA NUMBER 17.260				1,480,708	--	1,480,708
Total U.S. Department of Labor				5,159,583	--	5,159,583

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

SCHEDULE A  
(Continued)

<u>Name of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>U. S. DEPARTMENT OF JUSTICE</u></b>						
<b><u>Direct Programs:</u></b>	121005					
Local Law Enforcement Block Grant	166.431103	16.592	2001-LB-BX-3694	\$ 309,228	\$ 54,171	\$ 363,399
Local Law Enforcement Block Grant	167.431103	16.592	2002-LB-BX-2799	1,890	210	2,100
SUBTOTAL CFDA NUMBER 16.592				311,118	54,381	365,499
Drug-Free Communities Program	170.431103	16.729	2001-JN-FX-0031	11,971	--	11,971
Drug-Free Communities Program	170.431103	16.729	2001-JN-FX-0031	51,992	--	51,992
SUBTOTAL CFDA NUMBER 16.729				63,963	--	63,963
Community Policing - Cops More	170.431103	16.710	96-CI-WX-0046	--	10,001	10,001
Nunn-Lugar-Domenici Domestic Preparedness	170.431103	16.006	2002-TE-CX-0040	241,136	--	241,136
Personal Protective Equipment Grant	170.431103	NA		24,688	--	24,688
Police Intelligence Technology Grant	170.431103	16.565		1,500	--	1,500
Police Bullet Proof Vest Program	170.431103	16.607		11,386	--	11,386
Project Sentry	170.431103	16.609	2003-SE-CX-0008	55,687	--	55,687
Community Prosecution & Safe Neighborhood	170.431103	16.609	2003-GP-CX-0137	25,278	--	25,278
Project Safe Neighborhoods	170.431103	16.609		52,467	--	52,467
SUBTOTAL CFDA NUMBER 16.609				133,432	--	133,432
<b><u>Passed through Louisiana Commission on Law Enforcement:</u></b>						
	121116					
Drug Abuse Resistance Education	170.432102	16.579	E03-5-004	23,672	--	23,672
Drug Abuse Resistance Education	170.432102	16.579	E04-5-004	26,250	--	26,250
Police Electronic Equipment Enhancement	170.432102	16.579	P02-5-020	1,006	--	1,006
Integrated Criminal Apprehension (ICAP)	170.432102	16.579	B02-5-019	92,416	30,806	123,222
Constable DARE Grant	170.432102	16.579	E03-5-003	10,581	--	10,581
Constable DARE Grant	170.432102	16.579	E04-5-003	7,845	--	7,845
City Constable Electronic Equipment	170.432102	16.579	P03-5-021	1,006	--	1,006
SUBTOTAL CFDA NUMBER 16.579				162,776	30,806	193,582
Juvenile Accountability Block Grant	170.432102	16.523	A01-8-019	222,218	27,673	249,891
Juvenile Accountability Block Grant	170.432102	16.523	A02-8-019	68,010	7,557	75,567
SUBTOTAL CFDA NUMBER 16.523				290,228	35,230	325,458
Total U.S. Department of Justice				1,240,227	130,418	1,370,645

See Notes to Schedule of Expenditures of Federal Awards.



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

SCHEDULE A  
(Continued)

<u>Name of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>U. S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u></b>						
<u>Direct Programs:</u>	121011					
EPA Brownsfields Assessment Grant	170..431605	66.818	2003/2005	\$ 4,276	\$ --	\$ 4,276
EPA Brownsfields Pilot Program Grant	170..431605	66.811	BP-98661401-0	62,906	--	62,906
Total U. S. Environmental Protection Agency				67,182	--	67,182
<b><u>U.S. DEPARTMENT OF THE INTERIOR</u></b>						
National Spatial Data Infrastructure Program	170..431301	15.809	03HQAG0157	2,767	--	2,767
<b><u>FEDERAL HIGHWAY ADMINISTRATION &amp; PRIVATE DONATIONS</u></b>						
First Responder Training Grant	170..431203	NA		5,775	--	5,775
TOTAL FEDERAL GRANTS				\$ 42,493,585	\$ 1,680,994	\$ 44,174,579

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**BUSINESS-TYPE ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

SCHEDULE B

<u>Name of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b>FEDERAL GRANTS</b>						
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>						
<u>Direct Programs:</u>						
<u>Federal Transit Administration:</u>	121003					
Capital Assistance - 1988	402..431202	20.507	LA-90-0079	\$ 36	\$ 15,849	\$ 15,885
Planning - 2001	402..431202	20.507	LA-90-2226	138,364	--	138,364
Capital Assistance - 1997	402..431202	20.507	LA-90-0183	59,228	10,987	70,215
Capital Assistance - 1998	402..431202	20.507	LA-90-0198	8,786	2,197	10,983
Capital Assistance - 1999	402..431202	20.507	LA-90-0208	158,820	39,707	198,527
Capital Assistance - 2000	402..431202	20.507	LA-90-0217	57,880	14,470	72,350
Capital Assistance - 2001	402..431202	20.507	LA-90-0226	825,390	169,638	995,028
Total U.S. Department of Transportation- FTA				1,248,504	252,848	1,501,352
<u>Direct Programs:</u>						
<u>Federal Aviation Administration:</u>	482..121007					
Sound Insulation 110 Residents	482..431219	20.106	3-22-0006-40	5,116	--	5,116
Engineered Material Arresting System		20.106	3-22-0006-46	11,112	--	11,112
Rehabilitate Portion of South G. A. Apron		20.106	3-22-0006-47	128,555	--	128,555
Noise Mitigation within the 65 DNL Contour		20.106	3-22-0006-48	161,439	--	161,439
Soundproof 65-69 DNL Noise		20.106	3-22-0006-51	1,372,508	--	1,372,508
Install Engineered Material Arresting System		20.106	3-22-0006-52	33,018	--	33,018
Acquire ILEAV Equipment		20.106	3-22-0006-53	356,421	--	356,421
Rehabilitate Runway 4L-22R. Phase I		20.106	3-22-0006-54	1,245,414	--	1,245,414
Residences & Easements within 65-69 DNL		20.106	3-22-0006-56	2,632,921	--	2,632,921
Rehabilitate Runway 4L-22R, Phase II		20.106	3-22-0006-57	3,283,153	--	3,283,153
Update Master Plan		20.106	3-22-0006-58	887,577	--	887,577
Construct Service Road - Phase II		20.106	3-22-0006-59	451,875	--	451,875
Construct Service Road - Phase III		20.106	3-22-0006-60	925,491	--	925,491
Soundproof Residences Within 65-70 DNL		20.106	3-22-0006-61	416,343	--	416,343
Rehabilitate Runway 4L-22R Phase III		20.106	3-22-0006-62	39,133	--	39,133
Improve of Runway 4L Safety Area		20.106	3-22-0006-63	9,934	--	9,934
Total U.S. Department of Transportation - FAA				11,960,010	--	11,960,010
<b><u>DEPARTMENT OF HOMELAND SECURITY</u></b>						
<u>Passed through Louisiana</u>						
<u>Department of Military Affairs</u>	121126					
Emergency Management Performance						
Grant -2002	001..432103	97.042		(592)	--	(592)
Emergency Management Performance						
Grant -2003	001..432103	97.042		84,332	--	84,332
Emergency Management Performance						
Grant -2004	001..432103	97.042		27,497	--	27,497
Total Department of Homeland Security				111,237	--	111,237

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**BUSINESS-TYPE ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

SCHEDULE B  
(Continued)

<u>Name of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>U. S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u></b>	121011					
<b><u>Direct Programs:</u></b>						
Wastewater Systems Improvements	449.431605	66.606	XP986109-01-0	\$ 151,681	\$ 124,103	\$ 275,784
Wastewater Systems Improvements	449.431605	66.606	XP98635001-0	221,079	180,882	401,961
Wastewater Systems Improvements	449.431605	66.606	XP986109-01-0	51,975	42,525	94,500
Wastewater Systems Improvements	449.431605	66.606	XP986109-01-0	241,902	197,919	439,821
Wastewater Systems Improvements	449.431605	66.606	XP986109-01-0	190,628	155,968	346,596
				<hr/>	<hr/>	<hr/>
Total U. S. Environmental Protection Agency				857,265	701,397	1,558,662
				<hr/>	<hr/>	<hr/>
				\$ 14,177,016	\$ 954,245	\$ 15,131,261
				<hr/>	<hr/>	<hr/>

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For The Year Ended December 31, 2003**

**Note A - General**

The City-Parish Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the primary government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, (the City-Parish). All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

**Note B - Basis of Accounting**

The City-Parish Schedule of Expenditures of Federal Awards is presented using the modified or full accrual basis of accounting, which is described in note 1 to the City-Parish's financial statements for the year ended December 31, 2003. Schedule A details federal awards recorded in governmental fund types wherein revenues are recognized to the extent of expenditures (modified accrual). Schedule B details federal awards for proprietary fund types where government subsidies or contributions are recorded (full accrual accounting).

**Note C - Relationship to Federal Financial Reports**

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

**Note D - Subrecipients**

The City-Parish provided federal awards to subrecipients as follows:

<u>Program: Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipient</u>
Workforce Investment Act Youth Program	17.257	\$ 1,350,609
Supportive Housing Program	14.235	1,610,512
Federal Transit Administration Capital Assistance	20.507	<u>1,248,504</u>
Total		<u>\$4,209,625</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2003**

**A. Summary of Auditors' Results:**

- [a] The type of report issued on the financial statements: unqualified opinion
- [b] Reportable conditions in internal control were disclosed by the audit of the Financial Statements: none reported Material weaknesses: no
- [c] Noncompliance which is material to the financial statements: no
- [d] Reportable conditions in internal control over major programs: yes Material weaknesses: no
- [e] The type of report issued on compliance for major programs: unqualified opinion
- [f] Any audit findings which are required to be reported under Section 510 (a) of OMB Circular A-133: yes
- [g] Major programs:
  - U.S. Department of Housing and Urban Development  
Supportive Housing  
C.F.D.A. Number 14.235
  - U.S. Department of Labor  
Workforce Investment Act Cluster  
C.F.D.A. Number 17.258 -17.260
  - U.S. Department of Transportation  
Highway Planning and Construction  
C.F.D.A. Number 20.205
- [h] Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,700,118
- [i] Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: yes

**B. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:**

None

**C. Findings and Questioned Cost relating to Major Federal Award Programs:**

**CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2003**

**17.258-60 Workforce Investment Act (WIA)**

**2003-1) Allowable Costs**

***Questioned Costs: \$206,001***

**Criteria:** The program pays tuition and other costs on behalf of eligible participants. The program contracts with various entities (schools) to provide training to those participants. The terms of the contracts provide tuition should be paid in two increments based upon progress of the participants in completing the course of study or training.

**Condition(s):** One of the contracted schools was paid tuition fees in excess of that which had been earned in accordance with the terms of the contract. The school billed the program for tuition fees of 35 students that did not attain the required level of course completion commensurate to these tuition fees. The students dropped out before the school earned the tuition. Questioned tuition costs of \$195,639.

In addition, the condition was noted at two other schools. Questioned tuition costs totaled \$10,362.

For all institutions, questioned costs total \$206,001.

**Effect:** The program paid for services not provided.

**Recommendation:** While the program has initiated efforts to recover these overpaid tuition fees, we recommend that the program continue these efforts. The program is also enhancing its internal controls to better detect such over billings prior to payment. We recommend that the program proceed with these enhancements. In designing these enhancements, we recommend case manager involvement in the disbursement process to help ensure that tuition is paid only for active participants. Case managers' knowledge of participant status should be current within a two-month period.

**Management Response:** *The Administrative staff discovered the discrepancies in billing on the part of one of our vendors. They determined the magnitude of the overpayment and determined that it was \$195,639. Arrangements were made to recoup the overpayment, and to date, we have collected \$17,466.66, leaving a balance of \$178,172.34. The Louisiana Department of Labor and the U.S. Department of Labor approved the method we are using to recoup the money. We have initiated procedures to detect and eliminate overpayments in the future. We are requiring proper documentation to show that what we are paying for has been earned.*

*The Finance Department deferred the recognition of grant revenues in the amount of \$195,639 on the accompanying financial statements for the period ended December 31, 2003.*

*As to the questioned cost at the other institutions, we disagree with a portion of the finding. We question \$5,000. We are in the process of collecting the difference of \$5,362.*

**CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2003**

**17.258-60 Workforce Investment Act (WIA) (continued)**

2003-2) Monitoring

***Questioned Costs: Undetermined***

Criteria:	As part of its monitoring responsibilities with regard to subrecipients, a pass-through or awarding entity is responsible for, among other things, ensuring that required audits are performed, reviewing the results of those audits, and requiring the subrecipient/contractor to take prompt corrective action for any findings of non-compliance. Audits must be conducted in accordance with OMB Circular A-133 if total federal funding to the subrecipient is greater than a pre-established threshold (\$300,000 for 2003, \$500,000 beginning 2004).
Condition:	The administrative personnel do require the submission of and do review the audit report; however, several of these audits have not been conducted in accordance with OMB Circular A-133 (Single Audit Act).
Effect:	A Single Audit addresses many compliance issues that an audit conducted outside of those standards would not address. As such, a Single Audit provides a level of assurance to the grantor of grantee (subrecipient) compliance. Without receiving a Single Audit, that level of assurance is not attained. The grantor has an increased risk that grantees (subrecipients) have not expended funds in accordance with the provisions of the grant.
Recommendation:	<p>The program administration should ensure that the audits of subrecipients are performed in accordance with the standards of OMB Circular A-133, when applicable. The agreement under which the program awards contracts to subrecipients contains an A-133 audit provision. That contract provision needs to be enforced. Additionally, the administration should ensure that the subrecipient's audit engagement has been approved by the Louisiana Legislative Auditor, in accordance with state law.</p> <p>If subrecipients fall below the \$500,000 threshold, we recommend that on-site monitoring reviews be conducted for compliance with significant compliance attributes. These reviews should be conducted by persons with accounting and program knowledge that will enable them to detect non-compliance.</p>
Management Response:	<p><i>We have procedures in place to receive the required audits in accordance with OMB Circular A-133. The audits will be reviewed in a timely manner and prompt actions taken when necessary.</i></p> <p><i>If the subrecipients fall below the \$500,000 threshold, we will put procedures in our monitoring guides to detect non-compliance. We will train our monitors to carry out these procedures.</i></p>

**CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2003**

**14.235 Supportive Housing Program**

2003-3) Monitoring Subrecipients

***Questioned Costs: Undetermined***

Criteria: With regard to subrecipients, during the award a pass-through entity is responsible for monitoring and for ensuring that required audit reports are obtained and reviewing the results of those audits.

Condition: Certain aspects of the program administration's monitoring process could benefit from enhancement. While the administration's process for reviewing subrecipient requests for reimbursement allows for a level of assurance for allowable costs, certain other aspects of grant compliance can best be ensured through on-site monitoring visits and from reviewing Single Audits. We noted monitoring visits, while sometimes conducted, were infrequent and were not performed according to a pre-set schedule. Out of 17 subrecipients, only nine audits were up-to-date.

Effect: A pass-through entity must execute its monitoring responsibilities to help ensure program compliance by the subrecipient. Failure to carry out all appropriate aspects of a monitoring program presents a risk that non-compliance could exist at the subrecipient level without timely detection by the pass-through entity.

Recommendation: The administration should develop a plan for conducting site-visits based upon risk-based criteria that decides priority and frequency. Based upon this selection process, the date and time of those visits should be agreed to by the subrecipient scheduled.

We recommend that required audits be obtained on a timely basis. Those subrecipients not compliant with the audit requirements should be dealt with. All audits need to be conducted in accordance with OMB Circular A-133. Furthermore, we strongly suggest the involvement of a CPA experienced in governmental accounting and auditing to review the submitted audits. If any non-compliance was found as a result of the audit (findings), then the administration is responsible for ensuring that the non-compliance is remedied.

The administration may want to consider contracting out certain aspects of its monitoring activities to a qualified CPA through agreed-upon procedure engagements. Such engagements are an allowable cost if the subrecipient is below the A-133 audit threshold of \$500,000.

Management Response: *The Office of Community Development (OCD) would like to note that it is monitored yearly by the U.S. Department of Housing and Urban Development. A regular part of the monitoring is site visits to a number of SHP Project Sponsors. The monitoring visit recently completed by HUD (April 20 and 21) contained no findings relative to programmatic issues.*

*The OCD acknowledges that it needs to improve its on-site monitoring of subrecipients but feels that the recommendation that it contract this out to a CPA is not feasible. The manner in which*



**CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2003**

**14.235 Supportive Housing Program (Continued)**

*Administrative funds are earned under the SHP program precludes drawing administrative funds for a project in excess of the percentage of funds allowed based on the expenditure of the Project Sponsor. The funds available for any one project could very well not be equal to that necessary to pay for the services of the CPA. The OCD will establish within 45 days of this response a schedule for conducting on site monitoring of its subrecipients. The schedule will be entered into a "tickler" system that will provide advanced notification of the necessary monitoring visits.*

**20.205 Highway Planning and Construction Grants**

**2003-4) Davis-Bacon Wage Rates**

***Questioned Costs: Undetermined***

Criteria:	When required by the Davis-Bacon Act, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Federal Department of Labor. To ensure that contractors and subcontractors are in compliance with Davis-Bacon Act, grantee personnel must monitor the payrolls of all contractors and subcontractors of applicable projects.
Condition:	We noted an instance where the City's review process failed to detect the underpayment (less than the Federal wage requirements) of an electrician. Additionally, we noted a payroll submission which was not signed by the reviewer.
Effect:	Although the review process appears to be functioning adequately, this instance of non-compliance did surface.
Recommendation:	While we understand that oversights may occur, personnel responsible for monitoring compliance should be diligent in reviewing the payrolls. That review should always be documented through signature of the reviewer.
Management Response:	<i>The personnel charged with reviewing payrolls for compliance with Davis-Bacon have been instructed to be more diligent in their review and also have been instructed to document their review by signing each sheet of the payroll. The Engineering Division will endeavor to correct the issue noted in the audit. We believe this is an isolated instance.</i>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**Summary Schedule of Prior Year Findings and Questioned Costs**  
**Year Ended December 31, 2002**

**17.258-60 Workforce Investment Act (WIA)**

**2002-1) Procurement, Allowable Costs**

***Questioned Costs : \$2,550***

**Criteria:** Program regulations state that benefits are to be disbursed on behalf of eligible recipients through the use of individual training accounts (ITA's) established for each recipient. The local WIA Board designed the program to employ the use of these accounts and has set the account limit for each individual at \$10,000. Although not specifically stated in the regulations, it can be reasonably implied that the Program should have an accounting system that ensures proper posting and tracking of ITA's.

**Condition:** The Program's administration employs a spreadsheet in tracking amounts available and paid for each participant's account. In our tests of the spreadsheet, we found two benefit payments which were not posted to the individual's account (one account out of 15 tested). Those two benefit payments totaled \$2,550.

The underlying condition that caused this lack of posting is the manual nature of the spreadsheet. While manual accounting records are often adequate, they must undergo certain internal control procedures to help ensure accuracy and completeness, such as independent review and reconciliation to the general ledger. Such internal control procedures were not being performed. Additionally, the spreadsheet lacked the ability to provide a detail of activity posted to the accounts.

**Effect:** The Program could potentially pay an amount in excess of the participant's allotted amount and be unaware of the overpayment.

**Recommendation:** It is acknowledged that the designed spreadsheet has served the program's administration well in their tracking of the accounts thus far and that most accounts tested appeared to include all benefit payments. However, improvements to the system/spreadsheet need to be made. We suggest several methods of tracking the accounts:

- ▶ Set-up each participant account as a sub-account in the general ledger with a budget up to \$10,000.
- ▶ Design or purchase software that is capable of tracking participants' accounts and portraying a detailed transaction history (not unlike a bank statement or other credit type account). Reconcile the accounts in total to the general ledger on a monthly basis.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**Summary Schedule of Prior Year Findings and Questioned Costs**  
**Year Ended December 31, 2002**

**17.258-60 Workforce Investment Act (WIA) (Continued)**

- ▶ Continue the use of the spreadsheet (redesigned to allow identification of the monthly postings across all accounts), reconciling the transactions each month to the general ledger and performing supervisory review of the spreadsheet on a monthly basis.

*Management Response: At present time we are in the process of negotiating the purchase of software, Mach Link Plus, which has the ability to track individual customer expenditures. The implementation of this software along with working with the City-Parish should give the internal control procedures to ensure accuracy and completeness in tracking expenditures for each customer's Individual Training Account. This should be implemented by September 30, 2003.*

*Updated Management Response: The Mach-Link software did not accomplish what we wanted so we continue to use the spreadsheet. However, we have improved our reconciliation procedures, and we are reconciling back to the City-Parish general ledger on a monthly basis to insure completeness and accuracy.*

**2002-2) Earmarking**

***Questioned Costs : \$30,000***

**Criteria:** A local area grant recipient may spend no more than 10% of the grant on administrative costs.

**Condition:** The Program has established a separate administrative department (separate and distinct from the program department) in part, to aid in distinguishing administrative costs from program costs. The administration department's operating costs are budgeted at 10% of the grant amount. This department performs most of the administrative functions of executing the program (accounting, procurement, monitoring, etc.). However, we noted during the performance of our auditing procedures that a fiscal specialist position is funded under the program department. It is our understanding that the duties of the fiscal specialist are administrative in nature.

**Effect:** The administration department expends its budget for every program year. This fulfillment is ensured through allowed carryover of available funds to subsequent program years, and a practice of charging funds to the earliest available grant (first in - first out). Since the 01 - 02 program year budget of the department was expended in full, the compensation of the fiscal specialist, if charged to the administrative budget on a first in - first out basis, would have caused the program to exceed its budget (10% of the total grant). The questioned costs of

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**Summary Schedule of Prior Year Findings and Questioned Costs**  
**Year Ended December 31, 2002**

**17.258-60 Workforce Investment Act (WIA) (Continued)**

\$30,000 is approximately equal to the fiscal specialist's salaries and benefits for the program year ended June 30, 2002.

**Recommendation:** The costs of all administrative positions and functions should be budgeted in the administration department. Those costs should not exceed the 10% threshold.

**Management Response:** *We disagree with this finding. The placing of the Senior Fiscal Specialist in the administrative office of the Department of Social Services was in adherence of the Federal Register's request for the WIA administrative function and the WIA programmatic function to have a distinct separation. This employee does not perform any management or administrative functions.*

*In 1999 and 2000, considerable discussion took place with the State and Federal representatives. It was concluded that some functions that were for the direct benefit of the customer were allowable program costs. Section 667.220(5)(V) allows for supportive services to be charged to program cost. We are requesting clarification on this matter from the State Department of Labor.*

**Updated Management Response:** *After reviewing the work activities of the Senior Fiscal Specialist position, it was determined that an insignificant amount of her activities could be considered Administrative duties in nature. However, we also analyzed the work activities of the Administrative staff and found that some could be considered programmatic and could be charged to the Program budget. Since the amounts were insignificant and would offset each other, it was determined that this position would be charged to the Program budget. This has been approved by the Louisiana Department of Labor, our funding source. This finding is resolved.*

**2002-3) Allowable Costs**

***Questioned Costs : \$7,500***

**Criteria:** Compensation costs must be adequately documented and must be supported by after-the-fact time records reflecting actual time worked.

**Condition:** As part of its adult and dislocated worker programs, the City pays participants (if the participant so elects) a stipend which counts against their ITA. In the course of our audit and through discussions with the City-Parish's internal auditing department, we became aware of

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**Summary Schedule of Prior Year Findings and Questioned Costs**  
**Year Ended December 31, 2002**

**17.258-60 Workforce Investment Act (WIA) (Continued)**

instances of known payroll fraud with regard to the stipends. These instances were the result of falsified time and class attendance records on the part of two participants. Administrative personnel promptly responded to these instances by notifying the internal audit (IA) department and appropriate law enforcement. The City is pursuing prosecution of the two participants.

The City-Parish's internal audit department conducted an audit of the stipend payment process in 2001, upon learning of the above fraud. In that audit, the IA department noted several deficiencies in internal control over the payroll stipend process. Although the audit report has not been finalized, the IA department reviewed the findings and the weaknesses in internal control with program personnel in March 2002, and recommended certain actions be taken to remedy the weaknesses. During the performance of our audit procedures, we noted areas in which internal control could be enhanced, some of which were mentioned in the internal audit department's audit. Those issues consist of:

- ▶ Tardy submission of time records and processing thereof (several weeks' timesheets may be paid at one time, and some of those timesheets represent a work period prior to the current payroll period).
- ▶ Mathematical and critical review errors. One individual was paid for attendance indicated on the timesheet for a date that was actually a holiday.
- ▶ A lack of review of timesheets/attendance records by the caseworkers.
- ▶ A lack of segregation of duties.

**Effect:**

The amount determined to be paid under false pretenses in 2001 was approximately \$7,500. However, if improvements are not made to remedy the internal control issues noted above, the program could be at risk of future instances of fraud.

**Recommendation:**

As a result of the occurrences of fraud, the City's Internal Auditing department has designed certain procedures specifically for processing stipend payments, including channels for receipt of time records, review by program personnel, and separation of duties. While some of those recommendations have been implemented, we recommend that all of those recommendations be placed in operation as soon as possible and that they be applied in their entirety.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**Summary Schedule of Prior Year Findings and Questioned Costs**  
**Year Ended December 31, 2002**

**17.258-60 Workforce Investment Act (WIA) (Continued)**

*Management Response: The Internal Auditing Department did make recommendations and some were implemented. The balance will be implemented immediately.*

*We have developed a new process for calculating and payment of stipends. The amount will be calculated on actual hours spent in training. The customer will receive 35% of the calculated amount when 50% of training is completed and verified by the training provider. Another 35% will be paid when the customer completes training and receives a credential. The balance, 30%, will be paid at the satisfactory completion of follow-up, which is approximately 12 months after completion of training.*

*This new procedure must be approved by the Baton Rouge Workforce Investment Board. Their next meeting is scheduled for June 17, 2003. If approved, this new procedure will be implemented on July 1, 2003, for all new customers. Existing customers will receive stipends under the old method but will be phased out as customers exit the program.*

*Updated Management Response: The new procedure for payment of stipend has been implemented. Also, the State approved our recommendations.*

**2002-4) Allowable Costs**

***Questioned Costs : Undetermined***

Criteria:	OMB Circular A-87 indicates that for employees that work on multiple federal programs, compensation must be supported by after-the-fact time distribution records, indicating the amount of time spent on each program. Exceptions to the process of using time distribution records must be approved by the granting agency.
Condition:	The Program's employees spend time on several different programs. Compensation costs are charged to those programs based upon a set percentage that represents an estimate of the time expended, rather than time distribution records as required by OMB Circular A-87.
Effect:	While the percentages used to charge compensation costs to the various programs do not appear unreasonable, the Program is in technical violation of the cost standards.
Recommendation:	Absent a written approval from the granting agency, all compensation costs charged to the program should be supported by after-the-fact time distribution records.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**Summary Schedule of Prior Year Findings and Questioned Costs**  
**Year Ended December 31, 2002**

**17.258-60 Workforce Investment Act (WIA) (Continued)**

*Management Response: We will institute the use of daily time sheets that will identify which program was worked on. The budget will be prepared as per a time allocation plan and reconciled back to the time sheet on a monthly basis. We will forward this procedure to the Louisiana Department of Labor for their approval.*

*Updated Management Response: Procedures were put into place, and the State Department of Labor approved our procedure.*

**10.558 Child and Adult Care Food Program (Head-Start Food)**

**2002-5) Allowable Costs**

***Questioned Costs : Undetermined***

Criteria:	CFR section 226.15 (e) requires that institutions operating a CACFP must maintain documentation regarding various aspects of program administration including those regarding eligibility, participant application, attendance and number of meals served by category and type. Grant funds are to be paid to the grantee based upon the number of meals served applied to a pre-determined rate per meal.
Condition:	The reimbursement requests that were selected as part of our tests appear to have been based upon attendance records rather than actual meal counts. In the auditor's tests of 25 days of meals served selected from among 5 different centers, only one contained a difference between the number of breakfasts, lunches and snacks served and the number of children in attendance. A further review of the attendance records for the centers not included in our original audit tests revealed few, if any, differences between those records and the number of meals served. A certain number of discrepancies between these records would be expected due to children arriving late or departing early.
Effect:	The program may be non-compliant with the program regulations which require reimbursement of program dollars based upon the actual number of meals served. It is acknowledged, however, that the difference of any over (or under) reimbursement of federal funds is unlikely to be material, given the fact that substantially all children attending will receive a breakfast, lunch and snack or some combination thereof.
Recommendation:	Reimbursement requests should be prepared based upon the actual number of meals served.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**Summary Schedule of Prior Year Findings and Questioned Costs**  
**Year Ended December 31, 2002**

**10.558 Child and Adult Care Food Program (Head-Start Food) (Continued)**

*Management Response: East Baton Rouge Parish Head Start believes we have demonstrated compliance with CACFP section 226.15. Our daily meal counts are called in each day only from our six satellite centers and the numbers given are recorded on the menu worksheet which is maintained for three years. The completed menu worksheets are maintained at each center and are available upon audit request. This procedure is accepted under USDA/CACFP 226.15. The USDA/CACFP uses the actual number of meals recorded on the menu worksheets as proof of the number of meals served. These numbers are used to request reimbursement.*

*Attendance reports are not used for verification of meal counts, an actual plate count is used to verify number of meals served daily.*

**Updated Management Response:** *There has been no change to our previous response to findings and questioned costs for the year ending December 31, 2002.*

**2002-6) Procurement**

***Questioned Costs : Undetermined***

**Criteria:** The A-102 Common Rule and the program regulations prohibit the application of local geographic preference, even if prescribed by state law, in the awarding of contracts involving federal funds.

**Condition:** The standardized contract used in awarding food contracts allows the City-Parish to apply local geographic preference in the awarding of food contracts.

**Effect:** In our audit procedures, we did not find any instances where the local geographic preference was actually applied; in fact, we observed an instance in which a contract was awarded to an out-of-state vendor. There is, therefore, no current effect on compliance.

**Recommendation:** For this program and for any other federal program which may use this standardized contract, the City-Parish should eliminate the contract clause that allows for local geographic preference.

**Management Response:** *There are no geographical preferences given vendors of the East Baton Rouge Parish Head Start.*

**Updated Management Response:** *There has been no change to our previous response to findings and questioned costs for the year ending December 31, 2002.*



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**Summary Schedule of Prior Year Findings and Questioned Costs**  
**Year Ended December 31, 2002**

**20.106 Airport Improvement Program**

2002-7) Davis-Bacon Act

***Questioned Costs : Undetermined***

**Criteria:** When required by the Davis-Bacon Act, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Federal DOL. To ensure that contractors and subcontractors are in compliance with Davis-Bacon Act, grantee personnel must monitor the weekly payrolls of all contractors and subcontractors employed on applicable programs.

**Condition:** Two vendors tested for compliance with the Davis-Bacon Act did not submit certified payrolls on a weekly basis. We noted that certified payrolls which were submitted were reviewed by Airport personnel for compliance with wage rate requirements, but no procedures were in place to ensure that all required certified payrolls required by law were submitted on a timely (weekly) basis.

**Effect:** A contractor or subcontractor could be paying rates below the required wage rates without the Airport's knowledge. Timely review and correction of any problems cannot be completed if the payrolls are not submitted weekly.

**Recommendation:** The Airport should require all contractors to submit weekly payroll data and reconcile all payroll reports to the monthly pay estimate report to ensure that all weekly payrolls are indeed submitted.

**Management Response:** *In December 2002, Airport personnel sent letters to all contractors and their subs reminding them of their responsibility to submit weekly payrolls. The Airport will send registered letters to all contractors with another reminder to submit their payrolls.*

*Also, the Airport has developed a form, which details the payrolls by contractor and payroll period. This form will be checked weekly to ensure that all payrolls have been received.*

**Updated Management Response:** *The Airport has sent letters to the Program Manager and to all consultants and contractors reminding them of their responsibility to submit weekly payrolls. The Airport is also keeping records of all contractors submitting their payrolls and notifying any who may be late and will hold payment if necessary. Payrolls are also checked for accuracy of wage rates.*

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**Summary Schedule of Prior Year Findings and Questioned Costs**  
**Year Ended December 31, 2002**

**20.106 Airport Improvement Program (Continued)**

**2002-8) Suspension & Debarment**

***Questioned Costs : Undetermined***

**Criteria:** Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Contractors receiving individual awards for \$100,000 or more and all subrecipients must certify that the organization and its principals are not suspended or disbarred. The non-Federal entities may rely upon the certification unless it knows that the certification is erroneous.

**Condition:** The City-Parish has not obtained a certificate of non-debarment or suspension for three of the eight vendors selected for testing.

**Effect:** The City-Parish may contract with a contractor that has been suspended or debarred from receiving federal contracts.

**Recommendation:** The City-Parish should obtain non-suspension & debarment certificates on all contracts of the Airport Improvement Program (as well as all other federal programs) greater than \$100,000.

***Management Response:*** *The Airport has received the certificates of non-debarment or suspensions from the three contractors who did not have them attached to their contracts. To ensure that these certificates are provided, the Airport has added this certificate to our contract documents.*

***Updated Management Response:*** *The Airport has added the certificate of disbarment to our contract documents. The Airport staff and its Program Managers check the contracts for this document.*

FORM **SF-SAC**  
(3-20-2001)U.S. DEPT. OF COMM.— Econ. and Stat. Admin.— U.S. CENSUS BUREAU  
ACTING AS COLLECTING AGENT FOR  
OFFICE OF MANAGEMENT AND BUDGET**Data Collection Form for Reporting on  
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**  
for Fiscal Year Ending Dates On or After January 1, 2001

▶ Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**RECEIVED****Federal Audit Clearinghouse**  
1201 E. 10th Street  
Jeffersonville, IN 47132**PART I GENERAL INFORMATION (To be completed by auditee, except for Item 7)**

1. Fiscal period ending date for this submission Month <u>12</u> / Day <u>31</u> / Year <u>2003</u> Fiscal Period End Dates Must Be On or After January 1, 2001		2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit										
3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 3 <input type="checkbox"/> Other — Months 2 <input type="checkbox"/> Biennial		4. Date received by Federal clearinghouse <b>FEDERAL GOVERNMENT USE ONLY</b>										
5. Employer Identification Number (EIN) a. Auditee EIN <table border="1"><tr><td>7</td><td>2</td><td>6</td><td>0</td><td>0</td><td>0</td><td>1</td><td>3</td><td>7</td></tr></table>		7	2	6	0	0	0	1	3	7	b. Are multiple EINs covered in this report? 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No <i>If Part I, Item 5b = "Yes," complete Part I, Item 5c (Complete the continuation sheet on Page 4)</i>	
7	2	6	0	0	0	1	3	7				

**6. AUDITEE INFORMATION**

a. Auditee name <b>CITY OF BATON ROUGE-PARISH OF EAST BATON ROUGE</b>											
b. Auditee address (Number and street) <b>222 ST. LOUIS STREET</b>											
City <b>BATON ROUGE</b>											
State <b>LA</b>	ZIP + 4 Code <table border="1"><tr><td>7</td><td>0</td><td>8</td><td>2</td><td>1</td><td>-</td><td>1</td><td>4</td><td>7</td><td>1</td></tr></table>	7	0	8	2	1	-	1	4	7	1
7	0	8	2	1	-	1	4	7	1		
c. Auditee contact Name <b>VICKI P. HARRIS</b> Title <b>ACCOUNTING MANAGER</b>											
d. Auditee contact telephone ( <b>225</b> ) <b>389</b> — <b>3316</b>											
e. Auditee contact FAX (Optional) ( <b>225</b> ) <b>389</b> — <b>7831</b>											
f. Auditee contact E-mail (Optional) <b>VHARRIS@BRGOV.COM</b>											

**g. AUDITEE CERTIFICATION STATEMENT** — This is to certify that, to the best of my knowledge and belief, the auditee has: (1) engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in **Parts I, II, and III** of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official  
*Vicki P. Harris*  
Date  
Month 06 / Day 25 / Year 104  
Printed Name/Title of certifying official  
**Vicki Harris, Accounting Manager**

**7. AUDITOR INFORMATION (To be completed by auditor)**

a. Auditor name <b>POSTLETHWAITE &amp; NETTERVILLE AP-AC</b>											
b. Auditor address (Number and street) <b>8550 UNITED PLAZA BLVD</b>											
City <b>BATON ROUGE</b>											
State <b>LA</b>	ZIP + 4 Code <table border="1"><tr><td>7</td><td>0</td><td>8</td><td>0</td><td>9</td><td>-</td><td></td><td></td><td></td><td></td></tr></table>	7	0	8	0	9	-				
7	0	8	0	9	-						
c. Auditor contact Name <b>ALBERT J. RICHARD</b> Title <b>AUDIT DIRECTOR</b>											
d. Auditor contact telephone ( <b>800</b> ) <b>201</b> — <b>7332</b>											
e. Auditor contact FAX (Optional) ( ) —											
f. Auditor contact E-mail (Optional)											

**9. AUDITOR STATEMENT** — The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 8, 9, and 10, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is **not a substitute** for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in **Parts II and III** of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of auditor  
*Albert J. Richard*  
Date  
Month 06 / Day 25 / Year 104

**PART I****GENERAL INFORMATION - Continued**

8. Did the auditee expend more than \$25,000,000 in Federal awards during the fiscal year? (Mark (X) one box)

1 ☒ Yes - Identify Cognizant Agency in Part I, Item 92 ☐ No - SKIP to Part II, Item 1

9. Indicate which Federal awarding agency provided the predominant amount of direct funding in fiscal year 2000. (Mark (X) one box) However, if cognizance has been reassigned, see instructions.

02 ☐ Agency for International Development81 ☐ Energy14 ☐ Housing and Urban Development47 ☐ National Science Foundation10 ☐ Agriculture66 ☐ Environmental Protection Agency15 ☐ Interior20 ☒ Transportation11 ☐ Commerce83 ☐ Federal Emergency Management Agency16 ☐ Justice☐ Other - Specify:12 ☐ Defense93 ☐ Health and Human Services17 ☐ Labor84 ☐ Education**PART II****FINANCIAL STATEMENTS (To be completed by auditor)**

1. Type of audit report (Mark (X) one box)

1 ☒ Unqualified opinion2 ☐ Qualified opinion3 ☐ Adverse opinion4 ☐ Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report?

1 ☐ Yes 2 ☒ No

3. Is a reportable condition disclosed?

1 ☐ Yes 2 ☒ No - SKIP to Item 5

4. Is any reportable condition reported as a material weakness?

1 ☐ Yes 2 ☐ No

5. Is a material noncompliance disclosed?

1 ☐ Yes 2 ☒ No**PART III****FEDERAL PROGRAMS (To be completed by auditor)**

1. Type of audit report on major program compliance

1 ☒ Unqualified opinion2 ☐ Qualified opinion3 ☐ Adverse opinion4 ☐ Disclaimer of opinion

2. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending greater than \$300,000 in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA SOP 98-3 chapter 10)

1 ☒ Yes 2 ☐ No

3. What is the dollar threshold to distinguish Type A and Type B programs? (§ \_\_ .520(b))

\$ 1,700,118

4. Did the auditee qualify as a low-risk auditee? (§ \_\_ .530)

1 ☒ Yes 2 ☐ No

5. Is a reportable condition disclosed for any major program? (§ \_\_ .510(a)(1))

1 ☒ Yes 2 ☐ No - SKIP to Item 7

6. Is any reportable condition reported as a material weakness? (§ \_\_ .510(a)(1))

1 ☐ Yes 2 ☒ No

7. Are any known questioned costs reported? (§ \_\_ .510(a)(3) or (4))

1 ☒ Yes 2 ☐ No

8. Was a Summary Schedule of Prior Audit Findings prepared? (§ \_\_ .315(b))

1 ☒ Yes 2 ☐ No

9. Indicate which Federal agency(ies) have current year audit findings related to direct funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to direct funding. (Mark (X) all that apply or None)

02 ☐ Agency for International Development83 ☐ Federal Emergency Management Agency43 ☐ National Aeronautics and Space Administration96 ☐ Social Security Administration10 ☐ Agriculture39 ☐ General Services Administration89 ☐ National Archives and Records Administration19 ☐ State23 ☐ Appalachian Regional Commission93 ☐ Health and Human Services05 ☐ National Endowment for the Arts20 ☒ Transportation11 ☐ Commerce14 ☒ Housing and Urban Development06 ☐ National Endowment for the Humanities21 ☐ Treasury94 ☐ Corporation for National and Community Service03 ☐ Institute for Museum Services07 ☐ National Science Foundation82 ☐ United States Information Agency12 ☐ Defense15 ☐ Interior47 ☐ National Science Foundation64 ☐ Veterans Affairs84 ☐ Education16 ☐ Justice07 ☐ Office of National Drug Control Policy00 ☐ None81 ☐ Energy17 ☐ Labor59 ☐ Small Business Administration☐ Other - Specify:66 ☐ Environmental Protection Agency09 ☐ Legal Services Corp

Each agency identified is required to receive a copy of the reporting package.

In addition, one copy each of the reporting package is required for:

- the Federal Audit Clearinghouse archives ..... ☒
- and, if not marked above, the cognizant agency (if identified in Part I, Item 9) ..... ☐

Count total number of boxes marked above and submit this number of reporting packages

3

EIN:

6/21/04

INTERNET REPORT ID: 127494

**PART III FEDERAL PROGRAMS - Continued (Page 3 - #1 of 7)**

10. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR				11. AUDIT FINDINGS			
CFDA Number (a)	Research and development (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	Type(s) of compliance requirement(s) <sup>3</sup> (a)	Audit finding reference number(s) <sup>4</sup> (b)
1 4 .218	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COMMUNITY DEVELOPMENT BLOCK GRANT	\$ 7,022,872 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 4 .239	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COMMUNITY DEVELOPMENT HOME GRANT	\$ 2,240,653 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 4 .235	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CONTINUUM CARE SUPPORTIVE HOUSING PROGRAM	\$ 1,610,512 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	M	2003-3
1 4 .241	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HOPWA GRANT	\$ 825,465 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 4 .231	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY SHELTER	\$ 198,705 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 4 .156	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	MODERATE HOUSING ASSISTANCE	\$ 1,497,311 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 4 .276	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PARKING STRUCTURE FEASIBILITY STUDY	\$ 99,225 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 3 .010051	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	METROPOLITAN MEDICAL RESPONSE SYSTEM	\$ 173,830 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 3 .600	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HEADSTART	\$ 8,502,723 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 3 .243	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ECTASY AND CLUB DRUG	\$ 271,022 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			\$ 56,670,601 .00	<b>IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS</b>			

<sup>1</sup> See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

<sup>2</sup> Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

<sup>3</sup> Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

- |                                    |   |  |          |
|------------------------------------|---|--|----------|
| A. Activities allowed or unallowed | F. Equipment and real property management   | K. Real property acquisition and relocation assistance | O. None  |
| B. Allowable costs/cost principles | G. Matching, level of effort, earmarking    | L. Reporting   | P. Other |
| C. Cash management                 | H. Period of availability of Federal funds  | M. Subrecipient monitoring                             |          |
| D. Davis - Bacon Act               | I. Procurement and suspension and debarment | N. Special tests and provisions                        |          |
| E. Eligibility                     | J. Program income                           |  |          |

<sup>4</sup> N/A for NONE

6/21/04

EIN:

7 2 6 0 0 1 3 7

**PART II FEDERAL PROGRAMS - Continued (Page 3 - #2 of 7)**

10. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR			11. AUDIT FINDINGS				
CFDA Number (a)	Research and development (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	Types(s) of compliance requirement(s) <sup>3</sup> (a)	Audit finding reference number(s) <sup>4</sup> (b)
9 3 .568	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	LIHEAP ENERGY ASSISTANCE	\$ 496,539 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANG ENTERGY ASSISTANCE	\$ 11,472 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 3 .569	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COMMUNITY SERVICE BLOCK GRANT	\$ 1,060,258 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .044	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ASSISTANCE TO FIRE FIGHTERS	\$ 210,600 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .036	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TROPICAL STORM ISIDORE	\$ 417 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .036	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HURRICANE LILI	\$ -555 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .036	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FEMA-DISASTER RECOVERY ISADORE/LILI/WNV	\$ 97,640 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .039	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HAZARDOUS MITIGATION GRANT	\$ -1000 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .039	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EAST BATON ROUGE FLOOD PROPERTY ACQUISITION	\$ 497,443 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .039	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ACQUISITION/ELEVATION OF REPET. LOSS STRUCTURES	\$ 504,918 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			\$ 56,670,601 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS			

<sup>1</sup> See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.<sup>2</sup> Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)<sup>3</sup> Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

- A. Activities allowed or unallowed  
 B. Allowable costs/cost principles  
 C. Cash management  
 D. Davis - Bacon Act  
 E. Eligibility  
 F. Equipment and real property management  
 G. Matching, level of effort, earmarking  
 H. Period of availability of Federal funds  
 I. Procurement and suspension and debarment  
 J. Program income  
 K. Real property acquisition and relocation assistance  
 L. Reporting  
 M. Subrecipient monitoring  
 N. Special tests and provisions  
 O. None  
 P. Other

<sup>4</sup> N/A for NONE

**PART III FEDERAL PROGRAMS - Continued (Page 3 - #3 of 7)**

10. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR			11. AUDIT FINDINGS				
CFDA Number (a)	Research and development (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	Type(s) of compliance requirement(s) <sup>3</sup> (a)	Audit finding reference number(s) <sup>4</sup> (b)
9 7 .039	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ELEVATION OF FLOOD PROPERTY	\$ 12,429 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .042	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMPG-ENHANCED HAZMAT GRANT	\$ 3,250 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .053	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CERT GRANT PROGRAM	\$ 13,527 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .053	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CITIZEN CORPS COUNCIL GRANT	\$ 920 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
8 3 .562	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SUPPLEMENTAL PLANNING GRANT	\$ 2,154 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
8 3 .562	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY PREPAREDNESS REGIONAL PLANNING	\$ 29,622 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .004	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	LOCAL DOMESTIC PREPAREDNESS EQUIPMENT	\$ 312,625 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .004	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	URBAN SEARCH AND RESCUE FUNDING	\$ 72,035 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
8 3 .523	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY SHELTER	\$ 19,984 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
2 0 .205	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HIGHWAY PLANING AND CONSTRUCTION	\$ 7,799,476 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	D	2003-4
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			\$ 56,670,601 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS			

<sup>1</sup> See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.<sup>2</sup> Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)<sup>3</sup> Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

- A. Activities allowed or unallowed  
 B. Allowable costs/cost principles  
 C. Cash management  
 D. Davis - Bacon Act  
 E. Eligibility  
 F. Equipment and real property management  
 G. Matching, level of effort, earmarking  
 H. Period of availability of Federal funds  
 I. Procurement and suspension and debarment  
 J. Program income  
 K. Real property acquisition and relocation assistance  
 L. Reporting  
 M. Subrecipient monitoring  
 N. Special tests and provisions  
 O. None  
 P. Other

<sup>4</sup> N/A for NONE

EIN:

6/21/04

INTERNET REPORT ID: 127494

**PART III FEDERAL PROGRAMS - Continued (Page 3 - #4 of 7)**

10. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR			11. AUDIT FINDINGS				
CFDA Number (a)	Research and development (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	Type(s) of compliance requirement(s) <sup>3</sup> (a)	Audit finding reference number(s) <sup>4</sup> (b)
2 0 .505	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TRANSPORTATION PLANNING	\$ 27,672 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
2 0 .703	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HMEP GRANT	\$ 5,071 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
8 1 .042	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WEATHERIZATION ASSISTANCE	\$ 45,183 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 0 .561	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	LOUISIANA JOB EMPLOYMENT TRAINING	\$ 225,350 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 0 .555	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	NATIONAL SCHOOL LUNCH PROGRAM	\$ 30,836 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 0 .553	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SCHOOL BREAKFAST PROGRAM	\$ 17,055 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 0 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HEADSTART FOOD	\$ 824,478 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 0 .559	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SUMMER FOOD	\$ 885,527 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 0 .916	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WARDS CREEK @ CLAYCUT	\$ 22,173 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 0 .916	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CLAYCUT BAYOU LATERAL SHEETPILE REPAIRS	\$ 115,650 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			\$ 56,670,601 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS			

<sup>1</sup> See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

<sup>2</sup> Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

<sup>3</sup> Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

- |                                    |   |  |          |
|------------------------------------|---|--|----------|
| A. Activities allowed or unallowed | F. Equipment and real property management   | K. Real property acquisition and relocation assistance | O. None  |
| B. Allowable costs/cost principles | G. Matching, level of effort, earmarking    | L. Reporting   | P. Other |
| C. Cash management                 | H. Period of availability of Federal funds  | M. Subrecipient monitoring                             |          |
| D. Davis - Bacon Act               | I. Procurement and suspension and debarment | N. Special tests and provisions                        |          |
| E. Eligibility                     | J. Program income                           |  |          |

<sup>4</sup> N/A for NONE



EIN:

6/21/04

INTERNET REPORT ID: 127494

**PART III FEDERAL PROGRAMS - Continued (Page 3 - #5 of 7)**

10. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR				11. AUDIT FINDINGS			
CFDA Number (a)	Research and develop- ment (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	Type(s) of compliance requirement(s) <sup>3</sup> (a)	Audit finding reference number(s) <sup>4</sup> (b)
8 4 .034	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	STATE AID TO PUBLIC LIBRARIES	\$ 92,113 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 7 .258-260	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-ADMINISTRATION	\$ 486,012 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	BM	2003-1,2003-2
1 7 .258	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-ADULT PROGRAM	\$ 1,842,254 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	B	2003-1
1 7 .259	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-YOUTH PROGRAM	\$ 1,350,609 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	M	2003-2
1 7 .260	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-DISLOCATED WORKERS	\$ 1,331,744 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	B	2003-1
1 7 .260	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-TROPICAL STORM ALLISON	\$ 148,964 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	N/A
1 6 .592	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	LOCAL LAW ENFORCEMENT BLOCK GRANT	\$ 311,118 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 6 .729	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	DRUG-FREE COMMUNITIES PROGRAM	\$ 63,963 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 6 .006	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	NUNN-LUGAR-DOHENICI DOMESTIC PREPAREDNESS	\$ 241,136 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 6	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PERSONAL PROTECTION EQUIPMENT GRANT	\$ 24,688 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			\$ 56,670,601 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS			

<sup>1</sup> See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.<sup>2</sup> Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)<sup>3</sup> Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 5.10(a)) reported for each Federal program.

- A. Activities allowed or unallowed      F. Equipment and real property management      K. Real property acquisition and relocation assistance      O. None
- B. Allowable costs/cost principles      G. Matching, level of effort, earmarking      L. Reporting      P. Other
- C. Cash management      H. Period of availability of Federal funds      M. Subrecipient monitoring
- D. Davis - Bacon Act      I. Procurement and suspension and debarment      N. Special tests and provisions
- E. Eligibility      J. Program income

<sup>4</sup> N/A for NONE

**PART III FEDERAL PROGRAMS - Continued (Page 3 - #6 of 7)**

10. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR			11. AUDIT FINDINGS				
CFDA Number (a)	Research and develop- ment (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	Type(s) of compliance requirement(s) <sup>3</sup> (a)	Audit finding reference number(s) <sup>4</sup> (b)
1 6 .565	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	POLICE INTELLIGENCE TECHNOLOGY GRANT	\$ 1,500 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 6 .607	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	POLICE BULLET PROOF VEST PROGRAM	\$ 11,386 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 6 .609	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PROJECT SENTRY	\$ 55,687 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 6 .609	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COMMUNITY PROSECUTION AND SAFE NEIGHBORHOOD	\$ 25,278 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 6 .609	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PROJECT SAFE NEIGHBORHOODS	\$ 52,467 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 6 .579	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	DRUG ABUSE RESISTANCE EDUCATION	\$ 49,922 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 6 .579	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	POLICE ELECTRONIC EQUIPMENT ENHANCEMENT	\$ 1,006 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 6 .579	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	INTEGRATED CRIMINAL APPREHENSION (ICAP)	\$ 92,416 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 6 .579	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CONSTABLE DARE GRANT	\$ 18,426 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 6 .579	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CITY CONSTABLE ELECTRONIC EQUIPMENT	\$ 1,006 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			\$ 56,670,601 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS			

<sup>1</sup> See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.<sup>2</sup> Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)<sup>3</sup> Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

- A. Activities allowed or unallowed  
 B. Allowable costs/cost principles  
 C. Cash management  
 D. Davis - Bacon Act  
 E. Eligibility  
 F. Equipment and real property management  
 G. Matching, level of effort, earmarking  
 H. Period of availability of Federal funds  
 I. Procurement and suspension and debarment  
 J. Program income  
 K. Real property acquisition and relocation assistance  
 L. Reporting  
 M. Subrecipient monitoring  
 N. Special tests and provisions  
 O. None  
 P. Other

<sup>4</sup> N/A for NONE

EIN:

6/21/04

INTERNET REPORT ID: 127494

**PART III FEDERAL PROGRAMS - Continued (Page 3 - #7 of 7)**

10. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR			11. AUDIT FINDINGS				
CFDA Number (a)	Research and development (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	Type(s) of compliance requirement(s) <sup>3</sup> (a)	Audit finding reference number(s) <sup>4</sup> (b)
Federal Agency Prefix	Extension <sup>2</sup>						
1 6 .523	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	JUVENILE ACCOUNTABILITY GRANT	\$ 290,228 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
6 6 .818	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EPA BROWNFIELDS ASSESSMENT GRANT	\$ 4,276 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
6 6 .811	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EPA BROWNFIELDS PILOT PROGRAM	\$ 62,906 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 5 .809	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	NATIONAL SPATIAL DATA INFRASTRUCTURE PROGRAM	\$ 2,767 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
2 0	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FIRST RESPONDER TRAINING GRANT	\$ 5,775 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
2 0 .507	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FEDERAL TRANSIT CAPITAL ASSISTANCE	\$ 1,248,504 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
2 0 .106	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	AIRPORT IMPROVEMENT PROGRAM	\$ 11,960,010 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 7 .042	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY MANAGEMENT PERFORMANCE GRANT	\$ 111,237 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
6 6 .606	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WASTE WATER SYSTEMS IMPROVEMENTS	\$ 857,265 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 4 .231	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY SHELTER	\$ 140,871 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			\$ 56,670,601 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS			

<sup>1</sup> See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

<sup>2</sup> Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

<sup>3</sup> Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 5.10(a)) reported for each Federal program.

- |                                    |   |  |          |
|------------------------------------|---|--|----------|
| A. Activities allowed or unallowed | F. Equipment and real property management   | K. Real property acquisition and relocation assistance | O. None  |
| B. Allowable costs/cost principles | G. Matching, level of effort, earmarking    | L. Reporting   | P. Other |
| C. Cash management                 | H. Period of availability of Federal funds  | M. Subrecipient monitoring                             |          |
| D. Davis - Bacon Act               | I. Procurement and suspension and debarment | N. Special tests and provisions                        |          |
| E. Eligibility                     | J. Program income                           |  |          |

<sup>4</sup> N/A for NONE





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### **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

The Honorable Mayor-President  
and Members of the Metropolitan Council  
City of Baton Rouge and Parish of East Baton Rouge:

#### **Compliance**

We have audited the compliance of the City of Baton Rouge and the Parish of East Baton Rouge (the City-Parish) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended December 31, 2003. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the City-Parish's management. Our responsibility is to express an opinion on the City-Parish's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City-Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City-Parish's compliance with those requirements.

In our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended December 31, 2003.

#### **Internal Control Over Compliance**

The Management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the City-Parish's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Guide.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to the passenger facility charge program being audited may occur and not be detected within a timely period by

employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Passenger Facility Charges

We have audited the basic financial statements of the City of Baton Rouge and the Parish of East Baton Rouge as of and for the year ended December 31, 2003, and have issued our report thereon dated May 25, 2004, which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of passenger facility charges collected and expended is presented for purposes of additional analysis as specified in the Guide and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, and the Federal Aviation Administration and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Baton Rouge, Louisiana  
May 25, 2004

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF PASSENGER FACILITY CHARGES (PFC)**  
**COLLECTED AND EXPENDED**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<b>FIRST QUARTER 2003</b>	<b>SECOND QUARTER 2003</b>	<b>THIRD QUARTER 2003</b>	<b>FOURTH QUARTER 2003</b>	<b>YEAR ENDED 12-31-03</b>
PFC Revenues Received	\$ 104,502	\$ 240,057	\$ 262,527	\$ 288,255	\$ 895,341
Interest Earnings	<u>6,012</u>	<u>2,629</u>	<u>1,265</u>	<u>1,945</u>	<u>11,851</u>
Total Revenues	<u>\$ 110,514</u>	<u>\$ 242,686</u>	<u>\$ 263,792</u>	<u>\$ 290,200</u>	<u>\$ 907,192</u>
PFC Administrative Fee	\$ 2,787	\$ 6,401	\$ 7,001	\$ 7,687	\$ (23,876)
Bond Principal Payments	20,900	21,300	100,350	82,116	(224,666)
Bond Interest Payments	49,227	29,226	156,907	134,692	(370,052)
Expenditures on Approved PFC Projects	<u>651,531</u>	<u>1,226,153</u>	<u>26,322</u>	<u>13,688</u>	<u>(1,917,694)</u>
Total Expenditures	<u>\$ 724,445</u>	<u>\$ 1,283,080</u>	<u>\$ 290,580</u>	<u>\$ 238,183</u>	<u>\$ (2,536,288)</u>
Net Assets, Restricted for PFC 1/1/03					<u>1,995,356</u>
Net Assets, Restricted for PFC 12/31/03					<u>\$ 366,260</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**GREATER BATON ROUGE METROPOLITAN AIRPORT**  
**PFC Revenue Program**  
**Schedule of Prior Year Finding and Questioned Costs**  
**Year Ended December 31, 2002**

Criteria:	Public agencies collecting PFC revenues must submit quarterly reports to the FAA indicating amounts of PFC revenue received and expended for the quarter and to-date for each eligible project. The reports must be supported by and should be reconciled to the Agency's accounting records.
Conditions:	<ol style="list-style-type: none"><li>1. The quarterly reports of revenue and expenditures, while prepared from the general ledger (accounting records) and containing cash transactions for the year, did not contain all accounting adjusting entries made for the quarterly periods during 2002. An example of such an adjustment is an entry made in the second quarter to transfer approximately 2.3 MM of previously incurred program costs to another fund/program.</li><li>2. The quarterly reports submitted to the FAA indicate revenue and expenditures for the quarter as well as life-to-date. Expenditures are further detailed by eligible project. In our audit of the quarterly schedules, we observed that the cumulative amounts per the report did not agree to the general ledger (accounting records) when said general ledger was run to include all transactions since inception of the program.</li></ol>
Effect:	<ol style="list-style-type: none"><li>1. The transfer essentially freed-up approximately 2.3MM for project expenditures, yet such newly available money was not reported to the FAA.</li><li>2. The historical practice of transferring funds (reclassifying expenditures to different funding sources in subsequent periods) in the general ledger may have caused the cumulative expenditures by project per the general ledger to be out of balance with the quarterly report. The project costs to-date reported on the quarterly reports may be overstated or understated (undeterminable).</li></ol>
Recommendations:	<ol style="list-style-type: none"><li>1. The Airport should amend its quarterly report for the second, third and fourth quarters of 2002 and in doing so, revise the amounts expended on all projects, if those amounts are affected by the aforementioned adjusting entry. Future reports should contain all accounting adjusting entries. The City Parish's finance department, accounting division, should review the reports prior to submission.</li></ol>



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
GREATER BATON ROUGE METROPOLITAN AIRPORT  
PFC Revenue Program  
Schedule of Prior Year Finding and Questioned Costs  
Year Ended December 31, 2002**

2. The Airport/Finance Department staff should reconcile the life-to-date general ledger as of December 31, 2002 to the fourth quarter 2002 report. Amendments to the report should be made as necessary so that cumulative amounts expended to date reflect all transfers of costs.

*Management Response: The Airport amended the report for the last quarter of 2002 and submitted it to Betty Davis, Project Manager for the Federal Aviation Administration on April 16, 2003. We also amended the reports for the second (2<sup>nd</sup>), third (3<sup>rd</sup>), and fourth (4<sup>th</sup>) quarters.*

*Updated Management Response: The Airport has reconciled its PFC Program with the City and the FAA. The FAA has agreed with the Airport's findings and all reports have been reconciled with all parties, (FAA and Finance-Accounting) each quarter.*